UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA,

v. 15 Cr. 627 (ER)

CHRISTINE MAHARAJ,

Defendant.

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New York, N.Y.
December 20, 2016
11:00 a.m.

Before:

HON. EDGARDO RAMOS,

District Judge

APPEARANCES

PREET BHARARA
United States Attorney for the
Southern District of New York
BY: ANDREW M. THOMAS
Assistant United States Attorney

MICHAEL PAUL
Attorney for Defendant

(Case called)

MR. THOMAS: Good morning, your Honor. Andrew Thomas on behalf of the United States.

THE COURT: Good morning.

MR. PAUL: For Ms. Maharaj, Michael Paul. Good morning.

THE COURT: Good morning, Mr. Paul.

Good morning to you, Ms. Maharaj.

Mr. Thomas, what are we doing?

MR. THOMAS: Your Honor, I'm informed by counsel to Ms. Maharaj that she wishes to change her plea to guilty.

THE COURT: Very well. Mr. Paul.

MR. PAUL: Yes, your Honor.

THE COURT: Is that what we're doing today?

MR. PAUL: That is what we are doing, your Honor.

THE COURT: Ms. Maharaj, your attorney has informed me that you wish to change your previously entered plea of not guilty to the charges in the indictment and enter a plea of guilty to an information to be filed. I'm happy to take your guilty plea, but before I do that, I need to ask you a series of questions.

Before I can take your guilty plea, I need to assure myself that you understand what is going on here today and the consequences of entering a plea, and I also need to make sure that you are actually guilty of the crime to which you wish to plead guilty.

In asking these questions it's very important that you be absolutely truthful, so I'm going to have you placed under oath.

(Defendant sworn)

THE COURT: Ms. Maharaj, you are now under oath. Do you understand that if you answer any of my questions falsely, your answers could be used against you in a prosecution for perjury or for making a false statement? Do you understand that?

THE DEFENDANT: Yes.

THE COURT: I want to start off by just asking you some background questions, so please tell me, what is your full name?

THE DEFENDANT: Christine Maharaj.

THE COURT: How old are you?

THE DEFENDANT: 30.

THE COURT: How far did you get in school?

THE DEFENDANT: High school.

THE COURT: Are you able to read and write in English?

THE DEFENDANT: Yes.

THE COURT: Are you now or have you recently been under the care of a doctor or psychiatrist?

THE DEFENDANT: No.

THE COURT: Have you ever been treated or hospitalized for any mental illness or any type of addiction, including drug or alcohol addiction?

THE DEFENDANT: No.

THE COURT: In the past 24 hours, have you taken any drugs, medicine, or pills, or have you consumed any alcohol?

THE DEFENDANT: No.

THE COURT: Is your mind clear today?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, are you feeling well enough to proceed and to understand what is going on here today?

THE DEFENDANT: Yes.

THE COURT: Mr. Paul has informed me that you wish to waive indictment and enter a plea of guilty; is that correct?

THE DEFENDANT: Yes.

THE COURT: Ma'am, have you had a full opportunity to discuss your case with Mr. Paul, including any possible defenses you might have?

THE DEFENDANT: Yes.

THE COURT: Have you had a full opportunity to discuss with Mr. Paul the consequences of entering a plea of guilty?

THE DEFENDANT: Yes.

THE COURT: Are you satisfied with Mr. Paul and his representation of you?

THE DEFENDANT: Yes.

THE COURT: Does either counsel have any doubt as to the defendant's competence to waive indictment and enter a plea of guilty?

MR. THOMAS: No, your Honor.

MR. PAUL: No, your Honor.

THE COURT: Very well. On the basis of Ms. Maharaj's answers to my questions and my observations of her demeanor, I find that she is fully competent to waive indictment and entered an informed guilty plea at this time.

The first thing we need to do, Ms. Maharaj, is the waiver of indictment. First of all, have you received a copy of the information that the government proposes to file?

THE DEFENDANT: Yes.

THE COURT: Have you discussed that information with your attorney?

THE DEFENDANT: Yes.

THE COURT: Do you understand that this document is called a felony information?

THE DEFENDANT: Yes.

THE COURT: Do you understand that the information was issued by the United States Attorney in this particular case?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, because the charge contained in the information is a serious charge -- indeed, it is a felony -- you have a constitutional right to require the government to present evidence to a grand jury to see whether the grand jury would vote to charge you with that crime. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: Do you understand that a grand jury is composed of a group of at least 16, but not more than 23, citizens, and that at least 12 of them would have to agree that there was probable cause to believe that a crime was committed and that you committed it before you could be indicted? Do you understand that?

THE DEFENDANT: Yes.

THE COURT: Ma'am, if the grand jury voted to charge you, the document they issue would be called an indictment, and it would be signed by the foreperson of the grand jury, as well as the United States Attorney. Do you understand?

THE DEFENDANT: Yes.

THE COURT: Miss, do you wish to give up your right to have your case presented to the grand jury?

THE DEFENDANT: Yes.

THE COURT: Did you discuss that decision thoroughly with your lawyer?

THE DEFENDANT: Yes.

THE COURT: I've been provided with a document which is a waiver of indictment which I will hold up. Can you see the document from where you are seated?

THE DEFENDANT: Yes.

THE COURT: Is that your signature on this document?

THE DEFENDANT: Yes, it is.

THE COURT: When you signed it, did you sign it voluntarily?

THE DEFENDANT: Yes.

THE COURT: Before you signed it, did you discuss it with your attorney?

THE DEFENDANT: Yes, I did.

THE COURT: Very well. The waiver of indictment will be marked as Court Exhibit 1.

Ms. Maharaj, when you signed this document, did you understand that you were acknowledging your willingness to give up your right to be indicted by a grand jury?

THE DEFENDANT: Yes.

THE COURT: Did anyone threaten you or force you to give up that right?

THE DEFENDANT: No.

THE COURT: Very well. I find that Ms. Maharaj has knowingly and voluntarily waived her right to be indicted by a grand jury, and the information will be accepted for filing.

Mr. Paul, did you wish me to read the information aloud?

MR. PAUL: No, your Honor, that's not necessary.

THE COURT: Very well. Ms. Maharaj, do you understand that you are charged in this one-count information with conspiracy to commit bank fraud?

THE DEFENDANT: Yes.

THE COURT: What I want to do now is to discuss or to go over with you some of the rights, including constitutional rights, that you are giving up by pleading guilty. Again, please listen very carefully. If I ask you any question that you don't understand, please let me know and I'll rephrase it, or if you want to speak with your attorney before answering the question, just let me know and I'll give you the opportunity to discuss it with Mr. Paul. Okay?

First, you have a right to be represented by an attorney at trial and at every other stage of the proceeding. If you could not afford an attorney, an attorney would be appointed to represent you without cost to you. Do you understand that?

THE DEFENDANT: Yes, sir.

THE COURT: You have a right to a speedy and public trial by a jury on the charges against you which are contained in the information. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: At trial, you would be presumed innocent, and the government would be required to prove you guilty by competent evidence beyond a reasonable doubt before you could be found guilty. You would not have to prove that you were innocent at trial. Do you understand?

THE DEFENDANT: Yes.

THE COURT: If there were a jury trial, the jury would be composed of 12 people selected from this district, and all 12 would have to agree unanimously that you were guilty before you could be found guilty. Do you understand?

THE DEFENDANT: Yes.

THE COURT: At trial, you would have a right to see and hear all of the witnesses against you, and your attorney could cross examine them. Your attorney could object to the government's evidence and offer evidence on your behalf. You would also have the right to have subpoenas issued to compel witnesses to come to court to testify in your defense. Do you understand?

THE DEFENDANT: Yes.

THE COURT: At trial, you would have the right to testify if you wanted to, but no one could force you to testify. If you chose not to testify, I would instruct the jury that it could not hold that against you. Do you understand?

THE DEFENDANT: Yes.

THE COURT: If you were convicted at trial, you would have a right to appeal that verdict. Do you understand?

THE DEFENDANT: Yes, sir.

THE COURT: Do you also understand that by entering a plea of guilty here today, you are giving up all of the rights that I have just described, except for your right to counsel, and you will be found guilty based solely on your plea of guilty?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, do you understand that you could change your mind right now for any reason and decide not to enter a plea of guilty?

THE DEFENDANT: I'm sorry. Repeat that?

THE COURT: Do you understand that you can change your mind right now for any reason and decide not to enter a plea of guilty?

THE DEFENDANT: I understand.

THE COURT: The next series of questions that I want to go over with you concern the charges against you.

As I previously mentioned, you are charged in Count One of the information, in the one-count information, with conspiracy to commit bank fraud.

Mr. Thomas, would you be describe what the elements of that charge are?

MR. THOMAS: Yes, your Honor. In order to satisfy its burden of proof at trial, the government would have had to establish each of the following four essential elements beyond a reasonable doubt:

First, that two or more persons entered the unlawful agreement charged in Count One of the information; second, that the defendant knowingly and willfully became a member of the conspiracy; third, that one of the members of the conspiracy knowingly committed at least one of the overt acts charged in the information; and fourth, that the overt act which, if the jury were to find committed, was committed to further some object of the conspiracy.

The object in this case charged in Count One is bank fraud, which is a violation of Title 18 United States Code, Section 1344, which itself has the following elements:

First, that there was a scheme to defraud a bank; second, that the defendant executed or attempted to execute the scheme with the intent to defraud the bank; and third, that at the time of the execution of the scheme, the bank had its deposits insured by the Federal Deposit Insurance Corporation.

THE COURT: Thank you, Mr. Thomas.

Ms. Maharaj, did you hear what the prosecutor just said?

THE DEFENDANT: Yes, sir.

THE COURT: Miss, do you understand that if you did not plead guilty to the one-count information, that the government would have to prove each and every one of those elements of that charge beyond a reasonable doubt at trial?

THE DEFENDANT: I understand.

THE COURT: Ms. Maharaj, have you discussed with Mr. Paul the possible punishment that you face by pleading guilty to this charge?

THE DEFENDANT: Yes.

THE COURT: Do you understand that this charge, 18 United States Code, Section 371, carries a maximum term of imprisonment of five years?

THE DEFENDANT: I understand.

THE COURT: Do you also understand that there is a maximum term of supervised release of three years that I could impose?

THE DEFENDANT: Yes, sir.

THE COURT: In addition to those types of punishment, there are also financial punishments, including a $100 special assessment that I must impose. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: In addition, there is a fine that I could impose, which could be as high as either $250,000, or twice the gross gain from the offense, or twice the gross loss to victims of the offense. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: I mentioned the term "supervised release". Do you understand that if you are sentenced to supervised release, there are terms and conditions with which you must comply when you are released from prison?

THE DEFENDANT: Understood.

THE COURT: And if you do not comply with them, you could be returned to prison without a jury trial. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: Do you understand that if you violate the terms or conditions of supervised release and are returned to prison, that new term could be for part or all of the period of supervised release, and that you will not receive credit for any time previously served in prison on this offense or any time previously served on supervised release?

THE DEFENDANT: Yes.

THE COURT: Do you understand that as part of your sentence, I could also order restitution to any person injured as a result of your criminal conduct?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, do you further understand, if I accept your guilty plea and find you guilty, that determination may deprive you of certain valuable civil rights, such as the right to vote, the right to hold public office, the right to serve on a jury, the right to possess any kind of firearm, and the right to hold certain professional licenses?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, are you an American citizen?

THE DEFENDANT: Yes.

THE COURT: The next series of questions we need to go over involve the sentencing guidelines. First of all, Ms. Maharaj, do you understand that there are sentencing guidelines that I must consider in determining the appropriate sentence in your case?

THE DEFENDANT: Yes.

THE COURT: Have you spoken with Mr. Paul about how the guidelines apply to your case?

THE DEFENDANT: Yes.

THE COURT: Miss, do you understand that I have to calculate a guideline range, and then I have to consider that range in determining what your sentence will be?

THE DEFENDANT: Yes.

THE COURT: Do you also understand that I will not be able to make that calculation until after a presentence report has been completed by the U.S. Probation Department and both you and the government have had an opportunity to review a draft of that report?

THE DEFENDANT: Yes.

THE COURT: Do you further understand that even after I make the calculation of the guidelines, I have the ability to impose a sentence that is either higher or lower than what the guidelines recommend?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, do you also understand that in addition to the guidelines, there is also a law that requires me to consider a number of other items, including factors such as your history and characteristics and about the offense that you have allegedly committed in determining the appropriate sentence in your case? Do you understand that?

THE DEFENDANT: Yes.

THE COURT: So even after I determine the guidelines, I must also consider these other factors, and again, might settle on a sentence that is either higher or lower than what the guidelines recommend. Do you understand that?

THE DEFENDANT: Yes, sir.

THE COURT: Ms. Maharaj, do you understand that if your attorney or anyone else has attempted to estimate or predict what your sentence will be, their estimate or prediction could be wrong?

THE DEFENDANT: Yes.

THE COURT: While it is perfectly appropriate for you and Mr. Paul to have discussed how the sentence will be calculated, no one can give you any assurance of what your sentence will be. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, I say all of this to you because you need to understand today that if your sentence is different from what your attorney or anyone else told you it might be, or if it is different from what you expect or even if it is different from what is contained in your plea agreement with the government, you will still be bound by your guilty plea and you will not be able to withdraw your guilty plea. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: Do you understand that if you are sent to prison, there is no parole in the federal system, and you will not be released early on parole? Do you understand?

THE DEFENDANT: Yes.

THE COURT: The next series of questions, Ms. Maharaj, concern your agreement with the government. I have been provided with a document. It is six pages long. It is dated October 28, 2016. On the sixth page there are a series of signatures, including one which purports to be yours with today's date. I'm holding up page 6. Can you see that document from where you are seated?

THE DEFENDANT: Yes.

THE COURT: Is that your signature on this page?

THE DEFENDANT: Yes, it is.

THE COURT: Very well. This document will be marked Court Exhibit 2.

Ms. Maharaj, did you read this agreement before you signed it?

THE DEFENDANT: Yes.

THE COURT: Did you discuss it with Mr. Paul before you signed it?

THE DEFENDANT: Yes.

THE COURT: Did you fully understand the agreement when you signed it?

THE DEFENDANT: Yes.

THE COURT: Does this agreement include your understanding of the entire agreement between the government and you?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, is there any other agreement or any other promise about your plea or your sentence that is not contained in this agreement?

THE DEFENDANT: No.

THE COURT: Has anyone threatened you or forced you to enter into the plea agreement?

THE DEFENDANT: No.

THE COURT: Other than what is in the plea agreement, has anyone promised you anything or offered you anything either to plead guilty or to enter into the plea agreement?

THE DEFENDANT: No.

THE COURT: Has anyone made a promise to you as to what your sentence will be?

THE DEFENDANT: No.

THE COURT: Do you understand that there is a stipulation in the agreement regarding the sentencing guidelines, and that that stipulation binds you and it binds the government, but it does not bind me, and I'm still going to make my own determination as to your guidelines range. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: Do you understand that under certain circumstances, both you and the government have a right to appeal any sentence that I might impose, subject to the terms of the plea agreement. Do you understand?

THE DEFENDANT: Yes.

THE COURT: However, in this plea agreement, there is a stipulated sentencing range which provides that, if I sentence you within or below that range, your appellate rights are essentially very constricted. Do you understand that?

THE DEFENDANT: Yes.

THE COURT: Mr. Thomas, would the government please summarize what it would expect to prove if this case were to proceed to trial?

MR. THOMAS: Yes, your Honor. Were the case to proceed to trial, the government would demonstrate that Ms. Maharaj was a loan processer for an entity that went by a number of names, including Launch Development and Homeowners Assistance Services of New York. In that role, Ms. Maharaj transmitted documents to banks for the purpose of having those banks approve short sales, and the documents that Ms. Maharaj transmitted on a number of occasions included forged homeowner signatures or other doctored pieces of information.

The government would substantiate those allegations with proof of homeowners who would testify that, in fact, they did not sign the documents, bank representatives who will testify they, in fact, received the documents and relied on them in processing the short sale loans, and digital evidence, including a file which contained what appear to be digital copies of homeowners' signatures which were then reproduced on a series of documents.

THE COURT: Thank you.

Ms. Maharaj, did you hear what the prosecutor said?

THE DEFENDANT: I did.

THE COURT: Ms. Maharaj, have you clearly understood everything that has happened here today so far?

THE DEFENDANT: Yes.

THE COURT: Can you please tell me in your own words what it was that you did that you believe makes you guilty of the crime to which you are pleading guilty.

THE DEFENDANT: I did do, along with -- I basically just followed instructions, and I didn't object to the things that he said that I did.

THE COURT: I'm sorry?

THE DEFENDANT: I didn't object to anything. So I just followed instructions as working there, and yes, I shouldn't have done it. As far as the signatures, I just went along. It was me and my entire team, and I didn't object to it, and I just, you know, did my job as I was told to do.

THE COURT: Okay. So as I understand it, you and others with whom you were working submitted documents to banks that contained fraudulent signatures, correct?

THE DEFENDANT: Well, we copied -- some of them were copied, and then some of the documents were blank, so we had to fill out the information as far as fill in the names, fill in the information on blank documents --

THE COURT: Okay.

THE DEFENDANT: -- to submit it. So, I mean, they weren't completed by the homeowners fully, we transferred some of the information over, but everything that we had did have some type of a signature initially, and then it was just copied or reproduced.

THE COURT: Okay. So you took digital copies of actual signatures and placed them on documents that the homeowners did not actually sign?

THE DEFENDANT: Yeah, I guess so. Right? Because they were copied. I mean, you know, they were copied. They were initially signed initially blank, and then if we needed to make changes -- so we did. We did use the signatures on some of the documents that they didn't see, yes.

THE COURT: Okay. And that was done without the knowledge or authorization of the --

THE DEFENDANT: Yes.

THE COURT: -- homeowners?

THE DEFENDANT: Of the homeowners, yes.

THE COURT: And when you did that, where were you when you did that?

THE DEFENDANT: At the office.

THE COURT: Where is the office?

THE DEFENDANT: 189-10 Hillside.

THE COURT: What county is that in?

THE DEFENDANT: Queens.

THE COURT: Some of the documents that you submitted, were they submitted to banks or financial institutions that were in Manhattan or in the Bronx?

THE DEFENDANT: I'm not sure. I'm not sure where the companies were located. They were faxed in.

THE COURT: Mr. Thomas, is there a representation as to venue?

MR. THOMAS: Yes, your Honor, on two fronts. First, some of the financial institutions, in fact, are located in the Southern District of New York, and also, one of Ms. Maharaj's coconspirators resided in the Southern District of New York and committed a number of acts in furtherance of the conspiracy in Manhattan.

THE COURT: Ms. Maharaj, when, approximately, did you engage in that activity?

THE DEFENDANT: Maybe January to May, 2015. '15 or

'14. '14, I believe it is.

THE COURT: Then when you did that, when you submitted those documents without the authorization or the knowledge of the homeowners, did you know that what you were doing was wrong and against the law?

THE DEFENDANT: Yes.

THE COURT: Ms. Maharaj, did anyone threaten you or coerce you or force you to do those things?

THE DEFENDANT: I was not threatened, per se, but, I mean, I was working for a company, and basically, I was the only support of my family, and it was something I had to do in order to move forward or to live, basically.

THE COURT: Okay. But you knowingly and willfully did this?

THE DEFENDANT: Yes, I guess.

THE COURT: But you weren't forced to do it. In other words, you could have made a decision if you wanted to to do something else.

THE DEFENDANT: Correct. I mean, I did quit in the end, though. You know. After they kept forcing me to do more things, I just -- basically, I left the job --

THE COURT: You used --

THE DEFENDANT: -- on my own.

THE COURT: You used the word "they forced you to do some more things". Again, because understand, if you were forced, if you weren't able to overcome their directions to you, if you personally could not say no and walk out, then you're not guilty of a crime. You understand that.

THE DEFENDANT: I mean, I could have walked out, I could have said no and walked out. In the end, I could have, but I did not.

THE COURT: So you weren't threatened and you weren't coerced to do this.

THE DEFENDANT: No, I was just -- it was just pressure.

THE COURT: Does either counsel wish me to make any further inquiries?

MR. THOMAS: One matter, your Honor. I invite the Court to ask the defendant whether or not the purpose of the documents being transmitted to the banks was in order to induce the banks to approve short sales.

THE COURT: Ms. Maharaj, when you were submitting these documents to the bank, was the purpose to induce the banks to authorize the short sales or to loan proceeds for short sales?

THE DEFENDANT: To process the short sales, yes. If they actually taken it or not, that was not under my control. I was just obligated to submit the documents, and however they process it, they process it. If it came with an approval or denial, I had no control over that.

THE COURT: That was a decision that was made by the banks?

THE DEFENDANT: Yes, correct. I was just obligated to send them the documents, that's it.

THE COURT: Mr. Thomas?

MR. THOMAS: Nothing further, your Honor.

THE COURT: Mr. Paul?

MR. PAUL: No, your Honor.

THE COURT: Very well.

Mr. Paul, do you know of any valid legal defense that would prevail at trial or any reason why your client should not be permitted to plead guilty?

MR. PAUL: I do not, your Honor. But I do want to reiterate what my client did place on the record, that after a while, she felt too much pressure, and that's why she resigned from the position, and she voluntarily left the employ of this organization.

THE COURT: Mr. Paul, do you believe that there's an adequate factual basis to support the plea?

MR. PAUL: I do.

THE COURT: Mr. Thomas, do you believe that there's an adequate factual basis to support the plea?

MR. THOMAS: I do, your Honor.

THE COURT: Ms. Maharaj, how do you now plead to the charge in Count One of the information; guilty or not guilty?

THE DEFENDANT: Guilty.

THE COURT: Miss, are you in fact guilty of that charge?

THE DEFENDANT: Yes.

THE COURT: Are you pleading guilty voluntarily and of your own free will?

THE DEFENDANT: Yes.

THE COURT: There's also a forfeiture allegation in the information. Do you admit the forfeiture allegation; yes or no?

THE DEFENDANT: Yes.

THE COURT: Very well. Because you acknowledge that you are in fact guilty as charged in the one-count information, because I find that you know your rights and are waiving them knowingly and voluntarily with an understanding of the consequences of your plea, including the potential sentences that may be imposed, and because I find that your plea is supported by an independent factual basis, I accept your plea and find you guilty as charged in the one-count information.

Ms. Maharaj, I will now direct that a presentence investigation be conducted by the U.S. Probation Office and that a presentence report be prepared. You will be interviewed as part of that process. You can and should have your lawyer with you during your interview. The presentence report is going to be a very important part of my decision as to what your sentence will be, so when you receive a draft, its very important that you go over it very carefully and discuss it very carefully with Mr. Paul and let me know if you find any discrepancies or mistakes. You will also have the right, as will Mr. Paul, to speak on your own behalf before I impose sentence.

Do we have a date for sentence?

THE DEPUTY CLERK: Yes. April 5, 2017 at 11:30 a.m.

THE COURT: What is Ms. Maharaj's bail status?

MR. THOMAS: She's on release, your Honor.

THE COURT: No objection to continuing the current conditions?

MR. THOMAS: No objection from the government.

THE COURT: Very well.

Ms. Maharaj, you will remain under the conditions that you are currently under.

Just so the parties are aware, I'm handing to Ms. Rivera for the government Court Exhibit 1 and 2, the consent preliminary order of forfeiture, which I have so ordered, and the information.

Is there anything else that we need to do today, Mr. Thomas?

MR. THOMAS: Nothing further from the government, your Honor.

THE COURT: Mr. Paul?

MR. PAUL: Nothing further from the defense, your Honor. Thank you.

THE COURT: In that event, we are adjourned. We will see you in a few months.

(Adjourned)